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The President's Daily Brief

November 1, 1976

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FOR THE PRESIDENT ONLY

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LATE ITEM

CHINA: The US liaison office in Peking reports that wall posters have appeared in Shanghai naming Li Hsien-nien as premier and Yeh Chien-ying as chief of state. Similar posters preceded the appointment of new party secretaries in Shanghai.

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ITALY: Italy's Christian Democrats over the weekend rejected Communist chief Berlinguer's proposal for a more formal system of consultation with the Andreotti government.

The Christian Democrats decided instead to schedule a parliamentary debate on the government's austerity program. The vote on the program could become a vote of confidence on the government.

Last week Berlinguer termed the austerity program inadequate and proposed that economic policy be set by conferences involving the government, the Communists, and the other four parties that support Andreotti indirectly by abstaining in the parliament. The collegial approach suggested by Berlinguer would have replaced the government's practice of holding informal bilateral talks with these parties.

Three of the four other parties--the Socialists, the Social Democrats, and the Republicans--gave varying degrees of support to Berlinguer's idea. Only the small Liberal Party rejected it outright.

In ruling out Berlinguer's proposal, the Christian Democrats apparently chose to risk a weakening of their parliamentary support rather than give Berlinguer a concession that he might have used to edge closer to Communist membership in the government.

By keeping the Communists at arm's length, the Christian Democrats may have hindered Berlinguer's ability to deliver his party's cooperation in the enactment and implementation of a tough austerity program. Despite his critical stance, Berlinguer has generally supported the government's efforts, and the Communist unions have played a decisive role in keeping labor protests within manageable limits.

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There have recently been increasing signs of dissent in the Communist Party over Berlinguer's policy of cooperation with the government. If he fails to win further concessions from the Christian Democrats, the Communist leader may find it more difficult to counter influential critics who say that the party is getting little in return for cooperating with the Christian Democrats.

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LEBANON: *The military commander of the Arab peacekeeping force, Major General Ghunaym, tried to arrange a meeting yesterday among all parties to the Lebanese conflict, but right-wing Christian leaders refused to attend.*

Ghunaym had hoped to win general agreement on a schedule for opening main roads, creating buffer zones, and deploying the Arab peacekeeping force.

Phalangist leader Pierre Jumayyil is publicly urging Christian support for the efforts of Lebanese President Sarkis to implement the latest cease-fire accords. National Liberal leader Camille Shamun, however, opposes the movement of peacekeeping forces into Christian-controlled areas and is threatening that the Christian militias will resume fighting if leftist and Palestinian forces do not withdraw from the mountains southeast of Beirut.

Leaders of the leftist groups that follow Kamal Jumblatt announced Friday night that they will not withdraw from areas they control unless the Christians pull back their forces. Neither will they allow the Arab peacekeeping force to move into leftist areas until the Christians permit entry into their strongholds.

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So far, only the Palestinians appear to be withdrawing, and they are doing so in limited numbers to Beirut and to southern Lebanon.

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Palestine Liberation Organization chief Yasir Arafat has visited six Arab capitals in the past week in an effort to maintain his standing in the aftermath of his concessions at the Riyadh and Cairo meetings.

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SYRIA-IRAQ: Syria has halted its propaganda attacks on Egypt and the Palestinians, following the latest reconciliation with Egypt, and has intensified attacks on Iraq.

Syrian media are portraying Iraq, which condemned the Riyadh accords, as isolated from the other Arabs on the Lebanon issue. This propaganda is designed to induce other Arabs to urge Iraq to limit its disruptive activities in Lebanon and to prepare the way for blaming Baghdad should the present ceasefire break down.

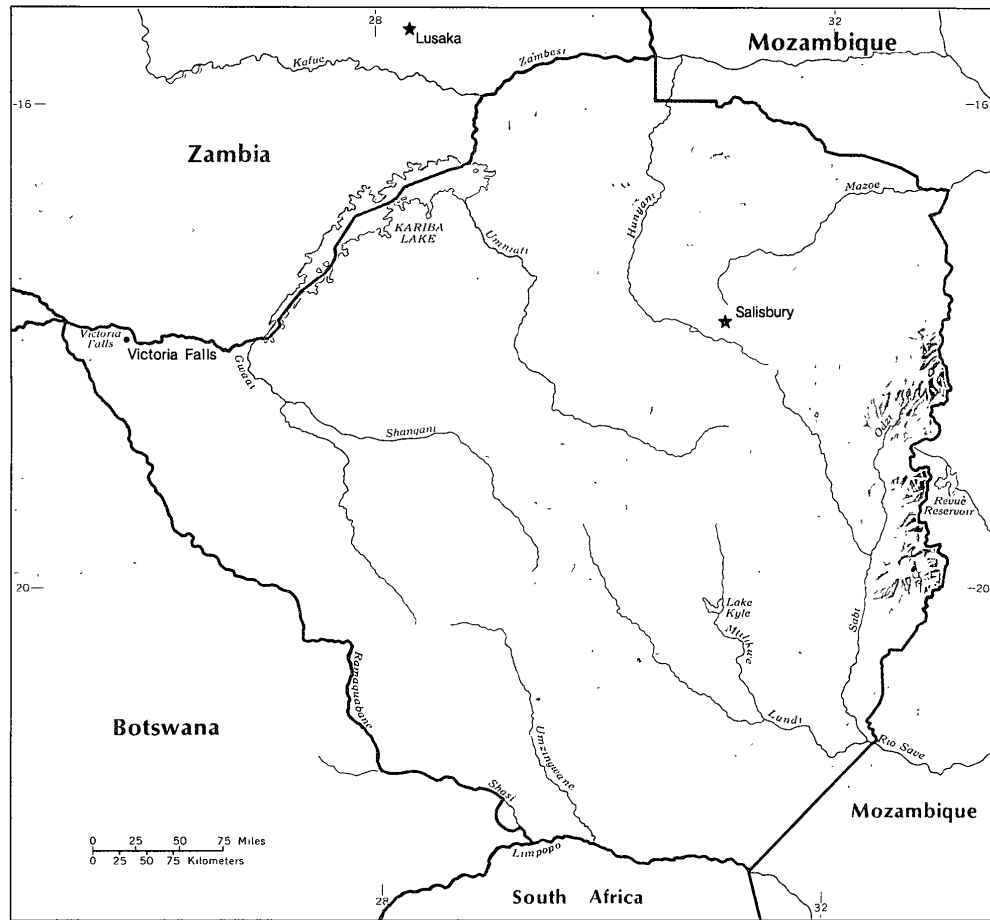
The Iraqis may now try to block implementation of the Cairo summit decisions by encouraging Palestinian extremists and Lebanese leftists to renew their activity.

The Iraqis may also be tempted to try to intensify their campaign of terrorism in Syria. The capability of Syrian security services to respond in kind against Iraq, however, may persuade Baghdad against such action.

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Rhodesia



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NOTES

- The attack by Rhodesian insurgents on a tourist hotel near Victoria Falls on the night of October 30 points up the increasing capability of the guerrillas to operate in all sectors of Rhodesia.

The attack, which occurred near the border, was probably staged out of Zambia. Most insurgent activity heretofore has been along the border with Mozambique where the bulk of the guerrillas are based.

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The guerrillas presumably would regard an attack on a tourist hotel as particularly likely to attract international attention.

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- Soviet Foreign Minister Gromyko and Egyptian Foreign Minister Fahmy will meet tomorrow or Wednesday in Sofia, Bulgaria.

This will be the first high-level meeting between officials of the two states since Cairo abrogated the Soviet-Egyptian friendship treaty last March.

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- EC foreign ministers, meeting in special session at The Hague on Saturday, agreed to declare a 200-mile fishing zone effective January 1.

The decision clears the way for the EC Commission to begin negotiations on fishing agreements with third countries--most notably Iceland, Norway, Canada, and the US, each of which already has or plans shortly to establish its own 200-mile zone.

Negotiations with Iceland should start next week. The UK's bilateral fishing agreement with Iceland, which ended the cod war, expires on November 30, and the Commission wants to begin discussions on a follow-up accord.

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